

ARIZONA CORPORATION  
COMMISSION

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

JUN 16 2003

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

U-02064A



Montezuma Estates Property Owners Association  
P.O. Box 592  
Rimrock, AZ 86335

**ANNUAL REPORT**

*Entered  
6-17-03  
C.M.*

**FOR YEAR ENDING**

12	31	2002
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FOR COMMISSION USE

Ann04	02
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## COMPANY INFORMATION

**Company Name (Business Name)** Montezuma Estates Property Owners Asso

**Mailing Address** P.O. Box 592

Rimrock  
(City)

Arizona  
(State)

86335  
(Zip)

928-284-9087

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** P.O. Box 592

Rimrock,  
(City)

AZ  
(State)

86335  
(Zip)

928-284-9087

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** \_\_\_\_\_

Jennie Sanchez

Treasurer

(Name)

(Title)

60 Ridgecrest Rd.

Sedona

AZ

86351

(Street)

(City)

(State)

(Zip)

928-284-9087

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Peter Sanchez

(Name)

60 Ridgecrest Rd.

Sedona

AZ

86351

(Street)

(City)

(State)

(Zip)

928-284-9087

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Statutory Agent:** \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** \_\_\_\_\_

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☒ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☒ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

**COMPANY NAME**

Montezuma Estates Property Owner's Association

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	750		750
304	Structures and Improvements	6426	1699	4730
307	Wells and Springs	8409	3835	4574
311	Pumping Equipment	32446	5999	26447
320	Water Treatment Equipment	2957	585	2372
330	Distribution Reservoirs and Standpipes	25906	5161	20745
331	Transmission and Distribution Mains	185992	64421	121571
333	Services	2934	1513	1421
334	Meters and Meter Installations	30245	3255	26990
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>296065</b>	<b>86468</b>	<b>209420</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME**

Montezuma Estates Property Owner's Association

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	750	<del>8.88</del>	
304	Structures and Improvements	6426	2.34	150.37
307	Wells and Springs	8409	2.97	249.75
311	Pumping Equipment	32446	5.05	1395.18
320	Water Treatment Equipment	2957	4.30	127.15
330	Distribution Reservoirs and Standpipes	25906	1.80	466.31
331	Transmission and Distribution Mains	185992	2.00	3719.84
333	Services	2934	2.96	86.95
334	Meters and Meter Installations	30245	3.82	1155.36
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	296065		7350.88

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

## BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 12523	\$ 21383
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	224	765
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1814	
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 14562	\$ 22148
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 281894	\$ 299522
103	Property Held for Future Use	82359	86468
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 199535	\$ 213087
	<b>TOTAL ASSETS</b>	\$ 215757	\$ 235202

**NOTE:** The Assets on this page should be equal to Total Liabilities and Capital on the following page.

<b>COMPANY NAME</b>	Montezuma Estates Property Owners Association
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### BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 2007	\$ 0
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	240	640
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1578	1573
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 3825	\$ 2213
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 40842	\$ 41972
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	40842	41972
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	106800	126300
272	Less: Amortization of Contributions	(4710)	6200
281	Accumulated Deferred Income Tax	74749	
	<b>TOTAL DEFERRED CREDITS</b>	\$ 237681	\$ 174472
	<b>TOTAL LIABILITIES</b>	\$ 221506	\$ 240085
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(5749)	(4883)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 215757	\$ 235202

**COMPANY NAME** Montezuma Estates Property Owners Association

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 21798	\$ 34686
460	Unmetered Water Revenue		
474	Other Water Revenues	1304	12743
	<b>TOTAL REVENUES</b>	<b>\$ 23102</b>	<b>\$ 47429</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	4313	2897
618	Chemicals	22	14
620	Repairs and Maintenance		18233
621	Office Supplies and Expense	700	2271
630	Outside Services	18609	10739
635	Water Testing	1196	1290
641	Rents		1219
650	Transportation Expenses		77
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		241
675	Miscellaneous Expense	(640)	79
403	Depreciation Expense	4714	7350
408	Taxes Other Than Income		
408.11	Property Taxes	1025	2108
409	Income Tax	167	
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 30106</b>	<b>\$ 46518</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$</b>	<b>\$</b>
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 109	\$ 5
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	5	10
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	<b>\$ 104</b>	<b>\$ 15</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ (6,900)</b>	<b>\$ 865</b>



**COMPANY NAME**~~Montezuma Estates Property Owners Association~~**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 41972

Meter Deposits Refunded During the Test Year

\$ 560

COMPANY NAME

~~Montezuma Estates Property Owners Association~~**WATER COMPANY PLANT DESCRIPTION****WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
#1 55-621605	3 HP	28	315	10"	2"	
#2 55-621604	3 HP	35	315	10"	2"	

- Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
#1 1-5 HP	30 gpm		
#2 1-5 HP	30 gpm		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10000		2000	
10000		2000	

COMPANY NAME Montezuma Estates Property Owners Association

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2	PVC	
3	<del>unknown</del> NONE	
4	PVC	
5		
6	PVC	
8	PVC	
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	119
3/4	
1	unknown (one)
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

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**STRUCTURES:**

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**OTHER:**

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**COMPANY NAME:** Montezuma Estates Property Owners Association

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	<del>no data</del>	<del>no data</del>	<del>no data</del>
FEBRUARY	<del>no data</del>	<del>no data</del>	<del>no data</del>
MARCH	<del>no data</del>	<del>no data</del>	<del>no data</del>
APRIL		898420	931300
MAY	82	623520	755100
JUNE	84	719090	960700
JULY	86	656410	955800
AUGUST	90	653412	1101300
SEPTEMBER	93	612208	875200
OCTOBER	94	495100	1018200
NOVEMBER	94	373570	44800
DECEMBER	94	384990	631300
TOTAL		N/A	7094400

5116720 cm

**Is the Water Utility located in an ADWR Active Management Area (AMA)?**

☒ Yes                      ☐ No

**Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?**

☐ Yes                      ☒ No

**If yes, provide the GPCPD amount:** \_\_\_\_\_

**What is the level of arsenic for each well on your system.** #1 .005 mg/l

(If more than one well, please list each separately)

#2 .005

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

**COMPANY NAME** ~~Montezuma Estates Property Owners Assoc~~ **YEAR ENDING 12/31/2002**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 906.38

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY NAME Montezuma Estates Property Owners Assn YEAR ENDING 12/31/2002

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 26  
Estimated or Actual Federal Tax Liability 8

State Taxable Income Reported 76  
Estimated or Actual State Tax Liability 50

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

6-9-03  
DATE

PETER O SANCHEZ  
PRINTED NAME

PRESIDENT  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

R JUN 16 2003 D

**VERIFICATION**STATE OF \_\_\_\_\_  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Peter Sanchez, President</u>
COMPANY NAME
<u>Montezuma Estates Property Owners Assoc</u>

Director of Utilities

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION****FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2002</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

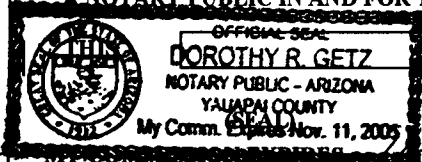
\$ 34126

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2108.22  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME, Dorothy R. Getz,

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

9 DAY OF

[Signature]  
SIGNATURE OF OWNER OR OFFICIAL  
928-284-9087  
TELEPHONE NUMBER

COUNTY NAME
<u>YAVAPAI</u>
MONTH
<u>June</u>
YEAR
<u>2003</u>
<u>[Signature]</u> SIGNATURE OF NOTARY PUBLIC

11-05

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION

R

JUN 16 2003

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	Yavapai	Director of Utilities
NAME (OWNER OR OFFICIAL)	Peter Sanchez	TITLE President
COMPANY NAME	Montezuma Estates Property Owners Associati	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 34126

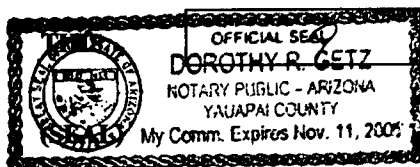
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2108  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

*Peter Sanchez*  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES

DAY OF

NOTARY PUBLIC NAME Dorothy R. Getz	
COUNTY NAME YAVAPAI	
MONTH JUNE	2003

X *Dorothy R. Getz*  
SIGNATURE OF NOTARY PUBLIC



2002F

MONTEZUMA ESTATES  
PROPERTY OWNERS ASSOC.  
P.O. BOX 612  
RIMROCK, AZ 86335

1088898

1900

PAY  
TO THE  
ORDER OF

Nino Hundred & Sixty

DATE 12/19/02

\$ 906.38

Wells Fargo Bank Arizona, N.A.  
1201 Highway 89A  
Cottonwood, AZ 86326  
www.wellsfargo.com



91-527-1875  
1221

FOR DEPOSIT ID # 948-22-690-9

PROPERTY TAX

112210527810719378895

00000090638